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**Attorney for Plaintiff**  
**SECURITIES AND EXCHANGE COMMISSION**  
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**UNITED STATES DISTRICT COURT**  
**SOUTHERN DISTRICT OF NEW YORK**

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<b>SECURITIES AND EXCHANGE COMMISSION,</b>	:	<b>x</b>
<b>Plaintiff,</b>	:	
<b>-against-</b>	:	
<b>CLEAN CARE TECHNOLOGIES, INC.,</b>	:	
<b>EDWARD KLEIN, AL NAZON and</b>	:	
<b>ANIL VARUGHESE,</b>	:	<b>08 Civ. 1719 (HB)</b>
	:	<b>ECF CASE</b>
<b>Defendants,</b>	:	
<b>and</b>	:	
<b>CLEAN CARE SYSTEMS, LLC,</b>	:	
<b>Relief Defendant.</b>	:	

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**STATEMENT OF DAMAGES**

I, Teresa A. Rodriguez, pursuant to 28 U.S.C. § 1746, hereby declare as follows:

1. I am employed as an attorney in the New York Regional Office of plaintiff Securities and Exchange Commission (the “Commission”).
2. I respectfully submit this Statement of Damages in support of Plaintiff’s Motion for Default Judgment as to Defendant Clean Care Technologies, Inc. (“CCT”), filed concurrently herewith.

3. I am familiar with the facts and proceedings in this action and the allegations in the Commission's Complaint (the "Complaint"). I make this declaration based upon information and belief. The sources of my information and the bases of my beliefs are documents and records obtained by me or other members of the Commission staff (the "staff"). The documents that I reviewed include the following: documents obtained by the staff during the course of its investigation preceding the institution of this case and during discovery in this case; the docket maintained by the Court in this matter; and prior pleadings.

4. As set forth in greater detail in the Complaint and in the Plaintiff's Motion for Default Judgment, the Commission seeks disgorgement of all funds Defendants raised as a result of their fraudulent offering of Clean Care Systems ("Systems") and CCT securities to the public. The offering of securities involving these two entities should be treated as one offering because both companies were under the Defendants' common control and money raised through the sale of securities in the two companies were commingled to benefit the Defendants. (See Compl. ¶¶ 1, 2, 33.)

5. As alleged in the Complaint, Systems' sole investor was Dr. Sheldon Schwartz. Defendants have provided the staff with Systems' General Ledger, Balance Sheet Detail and Trial Balance as of July 16, 2007. I have reviewed these records and they reflect that Dr. Schwartz invested a total of \$1,216,475.75. Attached as Exhibit 1 to this Declaration, is a copy of specific pages of Systems' General Ledger, Balance Sheet Detail and Trial Balance that reflect Dr. Schwartz' total investment as of July 16, 2007.

6. As alleged in the Complaint, Defendants raised approximately \$717,000 from at least 26 investors through the sale of CCT securities. Defendants provided the

staff with a list of CCT investors ("CCT's investor list"), which purports to indicate the amount that each investor contributed to CCT. CCT's then-counsel amended CCT's investor list by handwritten notation and re-submitted the list to the staff. The amended CCT investor list is attached to this Declaration as Exhibit 2, and reflects that Defendants raised \$716,927 through investors in CCT.

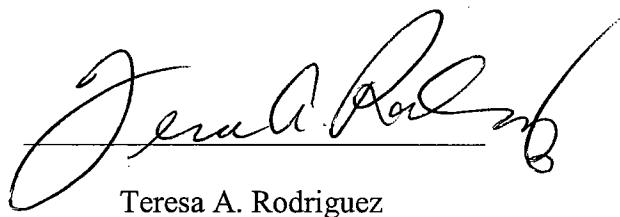
7. As reflected in Systems' and CCT's own business records, maintained by and submitted by Defendants, Defendants raised \$1,933,403.75 through their offer and sale of Systems and CCT securities. (See Ex. 1 and 2.)

8. The Commission also seeks prejudgment interest on Defendants' ill-gotten gains. Attached as Exhibit 3, is the staff's calculation of prejudgment interest at the IRS underpayment rate. For Dr. Schwartz's investment of \$1,216,475.75, the staff calculated interest from August 2007, the month following Dr. Schwartz's last investment as reflected on Systems' records, through May 2008. For the CCT investor's investments of \$716,927, the staff calculated interest from May 2007, the month following the investors' last investment as reflected on CCT's records, through May 2008. The total prejudgment interest sought is \$125,255.48.

9. The Commission seeks disgorgement of \$1,933,403.75, representing ill-gotten gains, and \$125,255.48, representing prejudgment interest thereon, for a total of \$2,058,659.23 .

I state under penalty of perjury that the foregoing is true and correct.

Dated: New York, New York  
June 16, 2008



Teresa A. Rodriguez

## **EXHIBIT 1**

07/16/07

**Clean Care Systems**  
**General Ledger**  
As of July 16, 2007

Type	Date	Num	Name	Memo	Split	Amount	Balance
Check	4/2/2007		Embassy Suites		Hotel	-1,454.81	6,513.19
Check	4/2/2007		Continental		Airline Tra...	-339.40	6,173.79
Check	4/2/2007		Continental		Airline Tra...	-339.40	5,834.39
Check	4/2/2007		Continental		Airline Tra...	-119.40	5,714.99
Check	4/2/2007		Continental		Airline Tra...	-119.40	5,595.59
Check	4/2/2007		Continental		Airline Tra...	-79.40	5,516.19
Check	4/2/2007		Continental		Airline Tra...	-79.40	5,436.79
Check	4/2/2007		Continental		Airline Tra...	-79.40	5,357.39
Check	4/2/2007		Continental		Airline Tra...	-79.40	5,277.99
Check	4/2/2007		Embassy Suites		Hotel	-1,120.32	4,157.67
Check	4/5/2007		Bank of America		Bank Servi...	-105.00	4,052.67
Check	4/5/2007		Freeman Tran...		Postage a...	-1,586.53	2,466.14
Check	4/8/2007		Gulf		Gas	-47.01	2,419.13
Check	4/8/2007		Emporium		Gas	-30.25	2,388.88
Check	4/8/2007		Compusystems		Trade Sho...	-430.00	1,958.88
Check	4/8/2007		Raceway		Gas	-48.68	1,910.20
Check	4/8/2007		USPS		Postage a...	-9.64	1,900.56
Check	4/8/2007		Continental		Airline Tra...	-440.00	1,460.56
Check	4/8/2007		QW Express		Postage a...	-734.17	726.39
Deposit	4/10/2007		Lowes		Repairs an...	4.24	730.63
Check	5/5/2007		Mohegan Sun		Hotel	-211.68	518.95
Check	5/5/2007		Budget Rent-A...		Travel	-228.83	290.12
Check	5/5/2007		Hilton Hotels		Travel & E...	-45.27	244.85
Transfer	7/16/2007			Funds Tra...	Bank Of A...	5,000.00	5,244.85
Total Bank of America T & E						1,495.06	5,244.85

Total Bank of America T &amp; E

**Accounts Receivable**

Payment	1/25/2007	176	Clean Care Te...	Bank Of A...	-81,000.00	-81,000.00
Invoice	1/27/2007	23	Clean Care Te...	-SPLIT-	81,000.00	0.00
Payment	2/5/2007		Clean Care Te...	Bank of A...	-6,000.00	-6,000.00
Invoice	2/7/2007	24	Clean Care Te...	-SPLIT-	13,000.00	7,000.00
Payment	2/7/2007		Clean Care Te...	Bank Of A...	-13,000.00	-6,000.00
Invoice	2/15/2007	25	Clean Care Te...	-SPLIT-	3,000.00	-3,000.00
Invoice	2/15/2007	26	Clean Care Te...	-SPLIT-	3,000.00	0.00
Invoice	7/5/2007	27	Clean Care Te...	-SPLIT-	29,376.00	29,376.00
Payment	7/5/2007		Clean Care Te...	Bank Of A...	-29,376.00	0.00

Total Accounts Receivable

**Undeposited Funds**

Total Undeposited Funds

**Payroll Liabilities**

Total Payroll Liabilities

**Shelly**

Deposit	1/5/2007		Shelly Schwartz	Deposit ...	Bank Of A...	-30,000.00	-561,265.75
Deposit	2/2/2007		Shelly Schwartz	Deposit C...	Bank Of A...	-171,210.00	-762,475.75
Deposit	2/27/2007		Shelly Schwartz	Deposit C...	Bank Of A...	-60,000.00	-822,475.75
Deposit	4/2/2007		Shelly Schwartz		Bank Of A...	-50,000.00	-872,475.75
Deposit	5/10/2007		Shelly Schwartz		Bank Of A...	-70,000.00	-942,475.75
Deposit	5/16/2007		Shelly Schwartz	from Sov...	Bank Of A...	-50,000.00	-992,475.75
Deposit	5/18/2007		Shelly Schwartz		Bank Of A...	-100,000.00	-1,092,475.75
Deposit	6/8/2007		Shelly Schwartz	Deposit	Bank Of A...	-62,000.00	-1,154,475.75
Deposit	7/12/2007		Shelly Schwartz	Deposit	Bank Of A...	-62,000.00	-1,216,475.75

Total Shelly

-655,210.00 -1,216,475.75

**Opening Bal Equity**

0.00

Total Opening Bal Equity

0.00

**Retained Earnings**

471,478.60

Total Retained Earnings

471,478.60

**Clean Care Systems**  
**Balance Sheet Detail**  
As of July 16, 2007

07/16/07

Type	Date	Name	Memo	Split	Amount	Balance
<b>Other Current Assets</b>						0.00
Undeposited Funds						0.00
Total Undeposited Funds						0.00
Total Other Current Assets						0.00
Total Current Assets					-13,923.20	75,863.95
<b>Fixed Assets</b>						0.00
Total Fixed Assets						0.00
<b>Other Assets</b>						0.00
Total Other Assets						0.00
<b>TOTAL ASSETS</b>					<b>-13,923.20</b>	<b>75,863.95</b>
<b>LIABILITIES &amp; EQUITY</b>						
<b>Liabilities</b>						
<b>Current Liabilities</b>						89,787.15
<b>Accounts Payable</b>						561,265.75
Total Accounts Payable						0.00
<b>Credit Cards</b>						0.00
Total Credit Cards						0.00
<b>Other Current Liabilities</b>						0.00
<b>Payroll Liabilities</b>						0.00
Total Payroll Liabilities						0.00
Total Other Current Liabilities						0.00
Total Current Liabilities						0.00
<b>Long Term Liabilities</b>						561,265.75
<b>Shelly</b>						561,265.75
Deposit	1/5/2007	Shelly Schwartz	Deposit C...	Bank Of A...	30,000.00	591,265.75
Deposit	2/2/2007	Shelly Schwartz	Deposit Ch...	Bank Of A...	171,210.00	762,475.75
Deposit	2/27/2007	Shelly Schwartz	Deposit Ch...	Bank Of A...	60,000.00	822,475.75
Deposit	4/2/2007	Shelly Schwartz		Bank Of A...	50,000.00	872,475.75
Deposit	5/10/2007	Shelly Schwartz		Bank Of A...	70,000.00	942,475.75
Deposit	5/16/2007	Shelly Schwartz	from Sover...	Bank Of A...	50,000.00	992,475.75
Deposit	5/18/2007	Shelly Schwartz		Bank Of A...	100,000.00	1,092,475.75
Deposit	6/8/2007	Shelly Schwartz	Deposit	Bank Of A...	62,000.00	1,154,475.75
Deposit	7/12/2007	Shelly Schwartz	Deposit	Bank Of A...	62,000.00	1,216,475.75
Total Shelly					655,210.00	1,216,475.75
Total Long Term Liabilities					655,210.00	1,216,475.75
Total Liabilities					655,210.00	1,216,475.75
<b>Equity</b>						-471,478.60
<b>Opening Bal Equity</b>						0.00
Total Opening Bal Equity						0.00
<b>Retained Earnings</b>						-471,478.60
Total Retained Earnings						-471,478.60

07/16/07

**Clean Care Systems**  
**Trial Balance**  
**As of July 16, 2007**

	<b>Jul 16, 07</b>	
	<b>Debit</b>	<b>Credit</b>
Bank Of America	70,619.10	
Bank of America T & E	5,244.85	
Accounts Receivable	0.00	
Shelly		1216475.75
Retained Earnings	471,478.60	
Sales Income		132,376.00
Goods Purchases (Cost of Goods)	399,571.61	
Bank Service Charges	926.40	
Car/Truck Expense	4,253.62	
Car/Truck Expense:Gas	2,318.77	
Car/Truck Expense:Repairs & Maintena...	195.51	
Conferences and Seminars	11,345.96	
Garbage	77.04	
Insurance	20,757.22	
Insurance:Auto Insurance		118.00
Marketing Expense	59,217.42	
miscellaneous	1,977.42	
Office Equipment	2,612.03	
Office Supplies	2,959.80	
Payroll	79,878.42	
Postage and Shipping	9,121.71	
Printing and Reproduction	28,963.49	
Professional Fees:Accounting Fees	2,350.00	
Promotional Expense	2,800.00	
Rent	15,909.08	
Repairs and Maintenance	6,947.90	
Shipping	3,503.89	
Tax	15,071.37	
Telephone and Fax	4,490.54	
Trade Shows	45,232.04	
Travel & Entertainment	11,066.90	
Travel & Entertainment:Airline Travel	20,050.69	
Travel & Entertainment:Entertainment	848.53	
Travel & Entertainment:Hotel	24,304.60	
Travel & Entertainment:Meals	3,769.17	
Travel & Entertainment:Travel	22,403.22	
Other Income		4,297.15
Loan	3,000.00	
<b>TOTAL</b>	<b><u>1,353,266.90</u></b>	<b><u>1,353,266.90</u></b>

## **EXHIBIT 2**

CleanCare Technologies Investors

Byron Violett – 12,000 (plus \$60,000.) \$72,000. TOTAL  
1727 Pine Avenue, Apt. #4  
Long Beach, CA 90813-1843  
(562) 591-1925

Paul Robinson – 10,000  
N3031CTHFA  
La Crosse, WI 54601  
(608) 784-5151

Thomas Wencl – 2,500  
1122 South Oak Avenue  
Owatonna, MN 55060  
(507) 451-3399

George Reid – ~~99,000~~ \$98,500.  
2073 Perrin Drive  
Lawrenceville, GA 30043  
(770) 339-0851

Dean Miles – 19,975  
18021 Sky Park Circle, Suite J  
Ervin, CA 92614  
(949) 266-1411

Lynn D. Otto – 70,000 (plus \$34,952.) \$104,952. TOTAL  
5806 Whitneyville Road  
Middleville, MI 49333  
(269) 795-3634

Martin J. Campbell – 1,000  
1070 24th Avenue East  
Seattle, WA 98112  
(206) 324-3210

Daniel R. Droz – 5,000  
529 Augusta Drive  
Monroe, MI 48161  
(734) 242-5023

Larry Cobb – 150,000  
1243 NE 152nd Street  
Shoreline, WA 98155-7137  
(206) 523-2742

Carl Hunt – 50,000  
11310 Glissade Drive  
Clinton, MD 20735  
(301) 292-1399

Terry Mcquoid – 5,000  
18861 329th Avenue  
Isle, MN 56342  
(320) 630-3435

Michael Dardaris – 10,000  
1933 Teaberry Avenue  
Williamstown, NJ 08094  
(856) 863-0461

Rocky J. Romanelli – 35,000  
9138 Chambelle Street  
St. Leonard, PQH1P2M3  
Montreal, Quebec, Canada  
(H1P-2M3)  
(800) 267-2774 ext. 114

Richard Blackketter – 7,500  
5451 South Leonard Springs Road  
Bloomington, IN 47403  
(812) 824-4798

James Cullen - 2,000  
7071 Eckstrom Ave.  
San Diego, CA 92111-3424  
(858) 277-2704

John Sauter - 10,000  
761 Coronado Avenue  
Coronado, CA 92118  
(619) 215-9373

Michael Sherer - 50,000  
2603 NE 87th Street  
Seattle, WA 98115  
(206) 528-1264

Robert Helgren - 20,000  
668 Forest Avenue  
Larchmont, NY 10538  
(914) 834-4434

Roy Miller - 7,500  
722 Indian Point Road  
Mount Desert, ME 04660  
(207) 244-3044

Timothy Bibens - 10,000  
31 Burnley Rise  
Pittsford, NY 14586  
(585) 755-7230

Richard L. Eggert / Cory L. Eggert - 6,000  
3625 409th Avenue NW  
Braham, MN 55006  
(320) 396-3664

Richard Jablonski - 5,000  
26722 Hyte Road  
Ranchos Palos Verdes, CA 90275  
(310) 669-6330

Kevin O'Connor - 15000  
1075 East 8th Street  
Holland, MI 49423  
(616) 394-9681

Zachary Hodes - 10,000  
637 Bryn Mawr Drive  
Indianapolis, IN 46260-4735  
(317) 253-9646

Thomas Fragomeni - 10,000  
175 Capital Boulevard #201  
Rocky Hill, CT 06067  
(860) 616-5100

**The following clients have equity positions in the company, however they do not have any funds invested into the company.**

**Bill Paul**  
8812 East Sunny Lane  
Claremore, OK 74019  
(918) 266-3500

**John Fleming**  
1621 Tiffany Ranch Road  
Arroyo Grande, CA 93420  
(805) 541-2079

**Lloyd Wood**  
969 Highway 108  
Rutherfordton, NC 28139  
(828) 287-4919

**Jim Lee**  
12050 Rising Road  
Wilton, CA 95693  
(916) 687-8355

**EXHIBIT 3**



**U.S. Securities and Exchange Commission**  
**Division of Enforcement**  
**Prejudgment Interest Report**

**Systems' Investment: SEC v. Clean Care Tech., Inc. et al, 08 Civ. 1719 (HB)**

Quarter Range	Annual Rate	Period Rate	Quarter Interest	Principal+Interest
Violation Amount				\$1,216,475.75
08/01/2007-09/30/2007	8%	1.33%	\$16,219.68	\$1,232,695.43
10/01/2007-12/31/2007	8%	2%	\$24,653.91	\$1,257,349.34
01/01/2008-03/31/2008	7%	1.75%	\$22,003.61	\$1,279,352.95
04/01/2008-04/30/2008	6%	0.5%	\$6,396.76	\$1,285,749.71
<b>Prejudgment Violation Range</b>			<b>Quarter Interest Total</b>	<b>Prejudgment Total</b>
<b>08/01/2007-04/30/2008</b>			<b>\$69,273.96</b>	<b>\$1,285,749.71</b>



**U.S. Securities and Exchange Commission**  
**Division of Enforcement**  
**Prejudgment Interest Report**

**Investments in CCT: SEC v. Clean Care Tech., Inc. et al, 08 Civ. 1719 (HB)**

Quarter Range	Annual Rate	Period Rate	Quarter Interest	Principal+Interest
<b>Violation Amount</b>				<b>\$716,927.00</b>
05/01/2007-06/30/2007	8%	1.33%	\$9,559.03	\$726,486.03
07/01/2007-09/30/2007	8%	2%	\$14,529.72	\$741,015.75
10/01/2007-12/31/2007	8%	2%	\$14,820.32	\$755,836.07
01/01/2008-03/31/2008	7%	1.75%	\$13,227.13	\$769,063.20
04/01/2008-04/30/2008	6%	0.5%	\$3,845.32	\$772,908.52
<b>Prejudgment Violation Range</b>			<b>Quarter Interest Total</b>	<b>Prejudgment Total</b>
<b>05/01/2007-04/30/2008</b>			<b>\$55,981.52</b>	<b>\$772,908.52</b>